

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TARGETED JOBS TAX CREDIT

Mr. BAUCUS. Mr. President, I want to ruminate for a few minutes about the Work Opportunities Tax Credit, now called the WOTC, which is the substitute for the Targeted Jobs Tax Credit, which expired at the end of last year.

Mr. President, the TJTC had some problems, but let me tell you, it got the job done. It encouraged employers to put kids and young adults to work. Youth who probably would not have gotten their first job but for TJTC.

I have a letter, Mr. President, from a good friend of mine in Montana. W.E. Hainline operates 4 B'S Restaurants across Montana and several other Western states. They serve good food and employ a lot of young adults.

Bill has had a lot of experience in the TJTC area. In fact, the 4 B'S is nationally recognized as a leader when it comes to hiring disadvantaged and handicapped youth, many of whom had their first job with 4 B's.

Bill can tell you about these kids and how they went on to other jobs and to success in many fields. In fact, that is what TJTC was about, and what we want to achieve with WOTC—we want to move kids off of the streets, off of welfare and we want to keep them out of the criminal justice system.

Bill is concerned, as am I Mr. President, that the WOTC is currently contained in the Reconciliation Bill before us, will not do the job. Bill notes in his letter that WOTC:

As written, virtually eliminates most companies from participating in [WOTC] by ignoring the youth group (18 to 24 year olds) not located in an empowerment Zone.

Mr. President, I joined with Senator MOSELEY-BRAUN last week in an amendment that would have expanded WOTC to create two new categories of youths which employers could hire under WOTC: individuals 18 through 24 receiving or living with families on food stamps; individuals 18 through 24 who are non-custodial parents of a child residing in a family receiving AFDC or successor programs; and individuals 18 through 24 who are receiving Supplemental Security Income.

Senator MOSELEY-BRAUN and I are working with Joint Tax to find the money to include these youths in WOTC.

Mr. President, as always, Bill Hainline hits the nail on the head. I request that his letter to me be printed in the RECORD. Bill has the credentials. He has used the TJTC program. He knows what it takes to make it work. I would encourage my colleagues to read their letter and to heed what he

has to say. Replacing TJTC with WOTC will accomplish little if employers, like Bill, do not utilize the WOTC program.

If that happens, kids are the big losers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RESTAURANTS, INC.,
Missoula, MT, October 17, 1995.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, DC:

I understand that the Senate Finance Committee is proposing a new TJTC bill, which was similar to the one developed by the House Ways and Means Committee.

Their bill, as written, virtually eliminates most companies from participating in the new program by ignoring the youth group (18 to 24 year olds) not located in an empowerment zone, not to mention the increased retention period from 120 hours to 500 hours.

Those two changes would preclude most Montana companies from participating in the proposed program as there are no designated empowerment zones in our state that I am aware of, nor would the proposed tax incentive offset the expense of tracking an eligible employee for 400 hours. After all, the objective of the program is to give people on government assistance, job training to take advantage of all employment opportunities. Why should the initial employer train those types of people for other employers to receive the tax credit?

In my opinion, the proposed bill eliminates all employers, not located in an empowerment zone, from participating in the new program. The cost of identifying new hires eligible under the remaining categories, and the expense of tracking those eligible for 500 hours, would far exceed the tax benefits proposed.

The only way our company could effectively participate in the new program would be with the inclusion of 18 to 24 year olds that were "means tested", and the retention period is lowered to either 200 or 250 hours.

The above changes to the program would allow all Montana employers to participate equally with large city employers and insure that all people, with employment barriers, have an equal opportunity to seek employment for any profession they choose.

I would greatly appreciate you informing me if these changes can be effected.

Sincerely,

W.E. HAINLINE,
President.

THE SUMMIT BETWEEN PRESIDENT CLINTON AND CHINA'S PRESIDENT JIANG ZEMIN

Mr. PELL. Mr. President, I rise today to call attention to yesterday's summit meeting between President Clinton and Chinese President Jiang Zemin in New York.

Last summer, relations between the two countries fell rapidly and unexpectedly to their lowest point since the Tiananmen massacre, largely over the visit of Taiwan President Lee Teng-hui to Cornell University, his alma mater. Most of us in the Senate, myself included, supported that visit as a private one for a distinguished alum. I continue to believe that the Chinese leadership in Beijing overreacted to the visit and allowed the bilateral relationship to unravel unnecessarily. I

was sorry that Beijing chose to react to Lee's visit by withdrawing the Chinese ambassador to the United States, suspending ongoing bilateral discussions on proliferation, canceling visits of United States officials to China and visits of Chinese officials to the United States, and by canceling bilateral discussions with Taiwan. But now, after several months of discord, it appears we have the opportunity to bring some stability back to the relationship and I support the President's decision to hold this summit in New York.

I did not believe that this summit meeting would produce a significant breakthrough on any of the issues with which we continue to disagree with Beijing, including Tibet, ballistic missile proliferation, nuclear testing, suppression of dissent in China, and trade issues. It did not. Recent press reports state that Chinese leaders had demanded certain concessions from the United States, such as written assurances that members of Taiwan's top leadership will never again be granted a visa to the United States or that the United States will refrain from criticism of China's human rights record in international fora. The administration rightly gave no such assurances. These are important policy issues, with significant domestic and international ramifications for both governments. Both governments seem convinced that the other is being unreasonable and obstinate. It is unrealistic to expect any major accords could have come under current circumstances.

This is an unfortunate state of affairs between two of the world's most influential countries and hopefully a passing one. But for the time being we must focus on keeping the relationship steady and effective. That is why a summit meeting between the two presidents was so important at this time. The United States raised all of the issues that we believe to be important and let the Chinese leadership know our commitment to them, and we should continue to do so. But it was also right to listen to President Jiang's concerns and to strive for mutual understanding, if not mutual agreement. Those who criticize our President for failing to win major concessions likely fail to recognize the realities of the current relationship and the necessity of strengthening contacts at all levels that will outlast this period and carry forward a stronger relationship in the future. I commend the President for holding the summit yesterday and hope that this meeting will mark the beginning of a more solid and productive period of United States—China relations.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about another go, as the British put it, with our pop quiz. Remember? One question, one answer.